

STANDARD FORM 2
FEBRUARY 1985 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41 CFR) 1-16.601

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

12-24-2009

LEASE NO.

GS-03B-09419

THIS LEASE, made and entered into this date by and between:

The Duncan Center, LLC

whose address is

500 W. Loockerman Street
Dover, Delaware 19904-7309

and whose interest in the property hereinafter described is that of

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

1,161 ANSI/BOMA office area square feet/1,323 rentable square feet (RSF) of office and related space on the third floor (as shown on the attached floor plan, labeled Exhibit "A") at the building commercially known as The Duncan Center, 500 W. Loockerman Street, Dover, Delaware 19904 to be used for such purposes determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on see Rider Paragraph 11 through see Rider Paragraph 11, subject to termination and renewal rights as may be hereinafter set forth.3. The Government shall pay the Lessor annual rent of \$ see Rider Paragraph 11at the rate of \$ see Rider Paragraph 11 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:"The Duncan Center, LLC
500 West Loockerman Street, Suite 600
Dover, DE 19904"4. The Government may terminate this lease at any time ^{in whole or in part, RMD} after the fifth year by giving at least sixty (60) days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

- a. All alterations and installations in accordance with the design intent drawings.
- b. All the summary requirements outlines in the attached Section 1.
- c. All the award factors and price evaluations requirements outlined in the attached Section 2.
- d. All how to offer and submittal requirements outlined in the attached Section 3.
- e. All utilities, services, and lease administration requirements outlined in the attached Section 4.
- f. All design, construction, and other post award requirements outlined in the attached Section 5.
- g. All general and architectural finishes requirements outlined in the attached Section 6 and 7.
- h. All mechanical, electrical and plumbing requirements outlined in the attached Sections 8.
- i. All fire safety, life safety, and environmental issues requirements outlined in the attached Section 9.
- j. All lease security standards requirements outlined in the attached Section 10.

INITIALS:

RMD

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LESSOR

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6. The following are attached and made a part hereof:

- a. Rider paragraphs 8-16;
- b. Section 1, Summary, Paragraphs 1.3, 1.5, 1.6, 1.9, 1.11, 1.12;
- c. Section 2, Award Factors and Price Evaluation, 2.4;
- d. Section 3, How to offer and Submittal, Paragraphs 3.2, 3.3, 3.5B, 3.5C, 3.6B, 3.7;
- e. Section 4, Utilities, Services, and Lease Administration, Paragraphs 4.1-4.13;
- f. Section 5, Design, Construction, and other Post award activities, Paragraphs 5.1-5.12;
- g. Section 6, General Architecture, Paragraphs 6.1-6.11;
- h. Section 7, Architectural Finishes, Paragraphs 7.1-7.15;
- i. Section 8, Mechanical, Electrical, and Plumbing, Paragraphs 8.1-8.18;
- j. Section 9, Fire Protection, Life Safety, and Environmental Issues, Paragraphs 9.1-9.12;
- k. Section 10, Lease Security Standards, Paragraphs 10.1-10.8, and 10.11-10.15;
- l. GSA Form 3517B, General Clauses;
- m. GSA Form 3518, Representations and Certifications; and
- n. Exhibit A: Floor plan showing the Government's leased space.

7. The following changes were made in this lease prior to its execution:

- a. the following paragraphs were deleted in their entirety:
1.1, 1.2, 1.4, 1.7, 1.8, 1.10, 2.1-2.3, 3.1, 3.4, 10.9, and 10.10
- b. the following paragraphs were deleted in part and/or amended:
3.5A, 3.6A

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR **The Duncan Center, LLC**

BY Robert M. Duncan (Signature) _____ (Signature)

IN PRESENCE OF

Christopher J. Whitefield (Signature)

CHRISTOPHER J. WHITEFIELD

St. 600, 500 W. Loochman St., Dover, DE 19901

(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY Carrie S. Vineberg (Signature) _____ Contracting Officer (Official title)

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8. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.

9. The total percentage of space occupied by the Government under the terms of the lease is equal to 1.74% percent of the total space available in the lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 76,214 rentable square feet by the total building space of 1,323 rentable square feet.

10. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$4.52 per rentable square foot (RSF), is acceptable. This figure includes the Government's pro-rata share of operating costs.

11. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within 40 working days from the date of notice to proceed with the construction of the tenant improvements. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected. Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for ten consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

Years 1 through 10:

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Shell Rent: \$17,159.31 per year or \$12.97 per Rentable Square Foot,

Amortized annual cost for Tenant Improvement Allowance*:

\$6,963.42 per year

In accordance with lease negotiations, the Tenant Improvement rate stated above reflects an interest rate of 6% over a one hundred and twenty (120) month period, which exceeds the firm term of the lease. (See Paragraph 12 of Lease Rider below). Should the Government exercise its termination rights, the Government shall have no obligation to pay the Lessor any remaining balance for the Tenant Improvement rent beyond the firm term of the lease.

Interest rate at which Tenant Alterations are amortized: 6%

Annual Cost of Services: \$5,979.96 per year or \$4.52 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3 of the lease, "Operating Costs"

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$52,268.22 or \$45.02 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 6% amortization rate over the term of fifteen years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 6% amortization rate.

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

12. The Government may terminate this lease at any time, in whole or in part, effective after the fifth (5th) full year of occupancy upon 60 calendar days written notice to the lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

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13. In accordance with Paragraph 5.2, "Tenant Improvements Pricing Requirements" of the lease, the Lessor's Tenant Improvement Fees are established as follows:

1) General Conditions charged by the Lessor's General Contractor for Tenant Improvements requested by the Government is 1% of Total Subcontractors' costs.

2) General Contractor's fee charged by the Lessor for Tenant Improvements requested by the Government is 7% of Total Subcontractors' costs.

3) In accordance with Lease Paragraph 5.8C, Architectural/engineering fees charged by the Lessor for Tenant Improvements are a flat fee of \$2,500.

4) Project Management fees charged by the Lessor for Tenant Improvements requested by the Government is 2.5% of Total Tenant Improvement Construction Costs.

14. In accordance with Paragraph 4.6 "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is \$1.70 per hour.

15. In accordance with Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy any portion of the lease premises or vacates the premises in whole or in part prior to expiration of the terms of the lease, the rental rate for the vacated portion of the space will be reduced by \$1.50 per ANSI/BOMA Office Area square foot.

16. Definitions:

A. Where the word "Offeror" appears it shall be considered "Lessor"

B. Where the word "should" appears it shall be considered to be "shall"

C. Where the word(s) "Solicitation" or "Solicitation for Offers" appears it shall be considered to be "Lease"